The International Journal of Social Sciences World
TIJOSSW is Available Online at:
https://www.growingscholar.org/journal/index.php/TIJOSSW
Vol. 6 No. 2, July-December 2024, pages: 88~96
DOI: https://doi.org/10.5281/zenodo.13943194
ISSN **2690-5167**
Growingscholar Publisher

The Role of Corporate Social Responsibility from Modern Retail Companies in Reducing Household Waste as an Implementation of Regulation No.1 of 2021 Concerning Waste Management in Manado City

Anna S. Wahongan[1], Kathleen C.Pontoh*[2], Imelda G. Onibala[3], Meylan M. Maramis [4], Steven S. Gugu[5], Mercy Maria Magdalena Setlight [6]

Article history:
Received: September 08, 2024; Accepted: October 12, 2024; Displayed Online: October 17, 2024; Published: December 30, 2024

Keywords

Corporate Social Responsibility;

Modern retail Companies;

Manado City waste;

Abstract

This study aims to analyze the role of Corporate Social Responsibility in modern retail companies to reduce household waste as an implementation of Local Regulation in Manado Number 1 of 2021 concerning Waste Management in Manado. This research is legal research using a legal approach, a case approach, and a conceptual approach. The types of legal materials in the study are primary and secondary legal materials. Legal materials were obtained from literature studies and analyzed qualitatively. The results of this research show that in waste management in Manado the role of Corporate Social Responsibility in modern retail companies to reduce household waste has not played its role optimally as set out in Manado Local Regulation Number 1 of 2021 concerning Waste Management in Manado. So, it can be said that the responsibility for waste management in Manado City still rests with the government, There is involvement of modern retail companies (business actors), but it still does not have a maximum impact on reducing waste in the city of Manado. In the future, it is hoped that reducing waste in Manado City will require involvement and responsibility from the Government, Modern Retail Companies (business actors), and the Social Community.

[1] *Fakultas Hukum Universitas Sam Ratulangi,Manado Indonesia*
[2]* *Fakultas Hukum Universitas Sam Ratulangi,Manado Indonesia, E-mail: kathleen_pontoh@unsrat.ac.id*
[3] *Fakultas Hukum Universitas Sam Ratulangi,Manado Indonesia*
[4] *Fakultas Hukum Universitas Sam Ratulangi,Manado Indonesia*
[5] *Fakultas Hukum Universitas Sam Ratulangi,Manado Indonesia*
[6] *Fakultas Hukum Universitas Sam Ratulangi,Manado Indonesia*

1. Introduction

Article 28 H paragraph 1 of the 1945 Constitution of the Republic of Indonesia states that "Everyone has the right to live in physical and spiritual prosperity, to have a place to live and to have a good and healthy living environment and has the right to receive health services." Likewise, Law No. 39 of 1999 concerning Human Rights in Article 9 paragraph (3) states that "Everyone has the right to a good and healthy living environment. Both are the legal basis for health insurance for every Indonesian citizen.

In respecting the Human Rights of every citizen of Manado City to obtain the right to a good and healthy environment, the Manado City Government has implemented a policy with Regional Regulation No. 7 of 2006 concerning Waste Management and Cleaning Service Retribution, and supported by several other regulations such as Mayor Regulation Number 33 of 2018 concerning Waste Management based on Manado City Districts, Manado Mayor Regulation number 24 of 2019 concerning Manado City Policies and Strategies for Household Waste Management and Household-like Waste, and Manado City Regional Regulation Number 1 of 2021 concerning Waste Management as a legal instrument in Manado City. The existence of this Regional Regulation on Waste is expected to support efforts to realize Manado City as a clean and healthy city.

In fact, in the field in 2023 the amount of waste generated in Manado City is 106,288.37 tons/year. The waste produced by the community mostly comes from households, which are purchases of goods for household consumption, most of which are dominated by plastic packaging products sold by retail companies, especially modern ones. So this demands the role of modern to participate in waste management in Manado City through Corporate Social Responsibility (CSR) from modern retail companies. So this demands the role of modern to participate in waste management in Manado City through Corporate Social Responsibility (CSR) from modern retail companies.

Based on this thinking, the researcher is interested in conducting research on the topic "The Role of Corporate Social Responsibility of Modern Retail Companies in Reducing Household Waste as an Implementation of Regional Regulation Number 1 of 2021 concerning Waste Management in Manado City."

2. Methods

This research is a researchnormative law (legal research).The research approaches used include the statute approach, case approach, and conceptual approach (Irwansyah, (2020). Legal materials collected from library research are then analyzed descriptively qualitatively.

Analysis by grouping and selecting data obtained from research according to quality and truth, then connected with theories from library studies, so that answers to the problems in this study are obtained.

3. Results and Discussions

Form of legal regulation of Corporate Social Responsibility of Modern Retail Companies in Reducing Household Waste as an Implementation of Regional Regulation Number 1 of 2021 concerning Waste Management in Manado City

Encouraging healthy economic growth in the industrial and corporate world must have a role in considering environmental factors (Siregar, Chairil N. (2007). This role has made a major contribution to industry and corporations for economic, social and cultural progress, but on the other hand, the rights of the community have been neglected, resulting in the loss of sources of community life and various violations of Human Rights (HAM) (Achmad et al, 2007). The development of modern business is marked by the rise of awareness among the business world. In this case, modern retail companies, especially those in Manado City, do not only maintain the continuity of their business, but the company is also responsible for the community and its environment so that the community can achieve better living conditions.

In the hierarchy, the Corporate Social Responsibility (CSR) rules of modern retail companies in Manado city in reducing household waste refer to the 1945 Constitution of the Republic of Indonesia (UUD NRI 45), precisely in the fourth paragraph which states that the purpose of the Republic of Indonesia is to protect all Indonesian people, all Indonesian blood and advance general welfare, educate the nation's life and participate in implementing world order. Therefore, to advance general welfare is the responsibility of the state supported by companies in realizing the country's economic development. Good economic growth and climate are one of the things that encourage the growth and development of a company.

Good welfare is marked by the achievement of community capacity targets and awareness targets. Community capacity targets that must be achieved can be through empowerment efforts carried out so that community members can participate in the production process or supporting institutions in the production process, equality is achieved by not distinguishing status and expertise, security, sustainability and cooperation (Ridwan et al. 2008).

There are two responsibilities in business ethics, namely legal responsibility which includes civil aspects (Civil Liability) and criminal aspects (crime liability) and social responsibility aspects (social liability). Social responsibility is often referred to as corporate social responsibility (CSR) (Ridwan et al. 2008). Companies that implement CSR can be interpreted as companies that are not only business entities whose goal is only to seek profit, but companies are a unity with conditions that include the economic, social and environmental conditions in which the company operates (Kristina et al,2004).

CSR is a concept in an organization where a company is responsible for the surrounding environment and its stakeholders including employees, consumers, shareholders and the social environment in the operational aspects of the company. Which means that every company is responsible for developing its surrounding environment through social programs (Ary et al. (2018).

The obligation to implement CSR is inseparable from the fact that environmental damage has occurred a lot, this is due to the negative impact of the existence of a company. So that at this time the company is not only oriented to shareholders, but must also be oriented to the interests of stakeholders and the local environment/earth or oriented to 3P, namely profit, people, and planet.

The realization of Corporate social responsibility is basically inspired as a commitment to the sustainability of the company which is reflected in the triple bottom line "3P" namely profit, planet and people. Basically sustainability is a balance between economic, environmental and community interests. The concept of the triple bottom line (3P) then developed with the existence of ISO 26000 concerning Guidance on Social Responsibility.

In the triple bottom line concept, it is called the planet, which gets special attention in the company's obligations. The environment is a place for companies to operate, so it is a logical consequence if the company contributes to ensuring the sustainability of the environment. The legal obligation to implement CSR towards the environment can be seen in a number of provisions in the laws and regulations in Indonesia, namely as follows:

a. Article 28H paragraph (1) of the Constitution of the Republic of Indonesia states "Everyone has the right to live in physical and spiritual prosperity, to have a place to live, and to have a good and healthy living environment and has the right to receive health services."
b. Law no. 39 of 1999 concerning Human Rights. Article 9 paragraph (2) states "Everyone has the right to live in peace, security, peace, happiness, prosperity physically and mentally." Paragraph (3) "Everyone has the right to a good and healthy living environment."
c. Law Number 40 of 2007 concerning Limited Liability Companies. Provisions regarding CSR are regulated in Article 74 which states:
   1) Companies that carry out their business activities in the field of and/or related to natural resources are required to implement Social and Environmental Responsibility.
   2) Social and Environmental Responsibility as referred to in paragraph (1) is the Company's obligation which is budgeted and calculated as the Company's costs, the implementation of which is carried out with due regard to propriety and fairness.
   3) Companies that do not fulfill the obligations as referred to in paragraph (1) shall be subject to sanctions in accordance with the provisions of statutory regulations.
   4) Further provisions regarding Social and Environmental Responsibility are regulated by Government Regulation.

   This provision was then implemented by Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies.
d. Law Number 25 of 2007 concerning Investment. Article 15 b states “Every investor is obliged to: implement corporate social responsibility.” Article 16 d states “Every investor is responsible for: maintaining environmental sustainability.
e. Law Number 32 of 2009 concerning environmental protection and management. Article 68 states as follows: Every person who carries out a business and/or activity is obliged to:
   1) provide information related to environmental protection and management in a correct, accurate, open and timely manner;
   2) maintaining the sustainability of environmental functions; and
   3) comply with provisions regarding environmental quality standards and/or environmental damage criteria.
f. Law Number 21 of 2014 concerning Geothermal Energy, Article 65 paragraph (2) letter b states: "In the implementation of Geothermal Energy, the community has the right to: obtain benefits from Geothermal business activities through the company's obligation to fulfill corporate social responsibility and/or development of the surrounding community."

g. Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies
h. Regulation of the Minister of State-Owned Enterprises No. PER-05/MBU/2007 of 2007 concerning the Partnership Program of State-Owned Enterprises with Small Businesses and the Community Development Program as last amended by Regulation of the Minister of State-Owned Enterprises No. PER-08/MBU/2013 of 2013 concerning the Fourth Amendment to the Regulation of the Minister of State-Owned Enterprises No. PER-05/MBU/2007 concerning the Partnership Program of State-Owned Enterprises with Small Businesses and the Community Development Program. Article 2 of Regulation of the Minister of State-Owned Enterprises 5/2007, Persero and Perum are required to implement the Partnership Program of State-Owned Enterprises with Small Businesses and the Community Development Program. While Public Persero can implement the Partnership Program of State-Owned Enterprises with Small Businesses and the Community Development Program by referring to Regulation of the Minister of State-Owned Enterprises 5/2007 which is determined based on the decision of the GMS.

The role of Corporate Social Responsibility of modern retail companies in reducing household waste as an implementation of Regional Regulation Number 1 of 2021 concerning Waste Management in Manado City.

A retail company is an agency or organization established by a person or group in order to seek profit by carrying out production and distribution activities to consumers to meet human needs. The implementation of company activities must reflect concern for the community around the company's environment so that its business activities can run smoothly. There are several literatures that contain things that must be considered by the company in its implementation, according to Azheri (Busyra et al. 2011).The scope of CSR is known as 3 aspects, namely Economic, Social and Environmental or better known as the triple bottom line (3BL). The economic aspect can be realized by the company through activities to provide assistance to the community so that they are able to become entrepreneurs by providing business capital to encourage entrepreneurship in the surrounding community. The social aspect can be realized by the company by providing assistance in education, training, health, development and so on as a sense of corporate responsibility to the community. While the environmental aspect can be realized by the company through environmentally friendly activities by paying attention to targeted waste management, not polluting the community environment through water, air pollution, carrying out reforestation and other things that are considered important.

In the book written by (Totok et al, 2014) which states that the benefits of CSR for companies are Improving Corporate Image, Better social environment, and Improving employee performance. In carrying out each of its operational activities, it is important for companies to have a positive image in the eyes of their consumers. Corporate image is the impression, emotion, and picture that the public has of the company. This image is the result of an impression that is deliberately formed towards an object, individual, or organization (Ardianto E et al,2007).A positive image of a company will have a beneficial impact, while a negative image will only harm the company (Azis, E et al. 2018).To obtain a strong and positive corporate image, one way that can be used is through corporate social responsibility activities, often known as Corporate Social Responsibility (CSR).

The approach through Corporate Social Responsibility (CSR) is used by companies to manage their business by considering the interests of all stakeholders, including the environment, society,

employees and local communities outside the company (Cahya,2022). In this approach, companies should be aware and actively involved in promoting the welfare of society, actively contribute to the preservation of environmental sustainability, and actively consider and advance human welfare (Usman,et al,2023).. Corporate Social Responsibility (CSR) has various programs that can be implemented according to company policy. The main objectives of CSR are to increase company profits, improve employee and community welfare, and improve environmental quality (Sultoni,2020). Although initially implementing Corporate Social Responsibility (CSR) may not generate immediate profits, these social responsibility activities can help improve the company's image. If CSR is implemented sustainably, there is the potential to generate significant benefits for the company, including financial benefits.

Corporate Social Responsibility today is a bridge connecting companies with their stakeholders such as government, society, consumers and the environment. CSR policies are adopted to promote responsibility and sustainable business practices (T. Ysa et al . 2007). CSR is a management effort carried out by business entities to achieve sustainable development goals (Akib, H. 2010). The activity is carried out based on a balance between economic, social and environmental aspects. Therefore, CSR must be implemented sustainably. These three aspects become a whole unit that provides benefits for all aspects of life. It can be said that the company's responsibility is not only focused on its own survival but also the survival of society and the environment.

There are various motivations for companies to implement CSR. The implementation of Corporate Social Responsibility can be intended as an effort to strengthen business relations or for corporate image. Strong business relations and a good corporate image will have an impact on the survival of the company (Rumambi,2014). The company's motivation to implement CSR is based on its driving factors. According to Hennigfeld (Tolhurst et al . 2006)There are 4 groups of driving factors, namely economic, managerial, ethical and political. In terms of economic factors, CSR contributes to the company's long-term profits. From a managerial perspective, CSR can help management to overcome various problems that arise related to company activities. In addition, CSR is a form of ethical action that should be done morally. On the other hand, from a political perspective, in order for society to accept the company well, the company needs to implement CSR.

The concept of CSR will lead to the form or program of CSR. The CSR program of public companies is regulated in the Decree of the Chairman of BAPEPAM and financial institutions no. KEP-431/BL/2012. In the attachment to the decree, namely regulation no. XK6 part 2h, the policies and types of programs issued for CSR are related to 4 aspects. The four aspects include the environment, employment practices, health and safety, social and community development, and product responsibility. For state-owned companies, their CSR programs are in the form of partnership programs and environmental development programs (Regulation of the Minister of State-Owned Enterprises article 2).

CSR from modern retail companies can have a positive impact in reducing household waste through various initiatives. Here are some roles and implementations of CSR in this context:

1. *Provision of Waste Management Facilities*
   Modern retail companies can contribute by providing recycling facilities in their stores, such as separate bins for organic, inorganic, and plastic waste. Consumers can more easily dispose of waste according to its category, thus encouraging better waste management in households.

2. *Reducing the Use of Single-Use Plastics*
   One of the most relevant CSR initiatives is to reduce the use of single-use plastics, such as plastic bags. Modern retailers can replace them with eco-friendly shopping bags and support government policies on plastic reduction. This initiative directly helps reduce the amount of plastic waste produced by households.
3. *Environmental Education and Awareness Campaign*
   Modern retailers can run CSR programs in the form of educational campaigns to consumers about the importance of good waste management and how to minimize household waste. For example, through posters, flyers, or digital campaigns, they can promote a zero waste lifestyle.
4. *Partnership with Government and Community*
   Retail companies can work together with the Manado City government in implementing the Regional Regulation on Waste Management by supporting programs such as waste banks or community-based recycling. They can provide support in the form of logistics, funds, or training to the community on household waste management.
5. *Electronic Waste (E-waste) Collection Program*
   Some modern retailers that sell electronic products can run CSR programs for collecting electronic waste. By providing collection points in stores, they encourage consumers to dispose of electronic waste responsibly. This helps reduce the type of waste that is potentially harmful to the environment if not managed properly.
6. *Eco-Friendly Product and Packaging Innovation*
   In the context of CSR, modern retail companies can reduce waste by innovating in terms of products and packaging. Products sold can be selected that use environmentally friendly or recyclable materials, as well as reducing excessive packaging.
7. *Incentives for Participating Consumers*
   CSR programs can also be implemented by providing incentives to consumers who bring their own shopping bags, use environmentally friendly products, or support recycling initiatives. These incentives can be in the form of discounts or loyalty points, which not only reduce waste but also increase consumer awareness.
8. *CSR Monitoring and Reporting*
   Modern retail companies also need to actively monitor and report the impact of their CSR programs in supporting the Waste Management Bylaw. This will help companies evaluate the effectiveness of their programs and ensure that they are aligned with the objectives of the local government.

There are several retail companies in Manado City starting from Jumbo Supermarket, Golden Supermarket, Freshmart, Indogrosir, Lotte, and others. From the results of the study when researchers visited several retail companies in Manado City, it was found that for the Corporate Social Responsibility program in terms of reducing household waste, there are several forms of activities carried out, namely

1. For shopping bags, use plastic shopping bags whose material components can be decomposed, shopping bags made of recycled paper and shopping bags made of cloth.
2. collect waste along the coast of Manado and the area around the retail company's location. For example, for Freshmart, waste collection is carried out around the Bahu Mall area.
3. Specifically for the retail company Freshmart, food waste such as vegetables and fruit is processed into organic fertilizer.

From the research results it was also found that:

1. there is no provision of waste management facilities

2. Environmental education and awareness campaigns have not been carried out for the communities around the retail companies' locations.
3. Partnership with Government and Community relations are not yet very close
4. There is no program to reduce household waste so there are no incentives for consumers to participate in reducing household waste.

So overall, the research results obtained show that the role of Corporate Social Responsibility of modern retail companies in reducing household waste has not been maximized as expected and regulated in Regional Regulation Number 1 of 2021 concerning Waste Management in Manado City.

4. Conclusion

Looking at the arrangements and implementation ofthe role of Corporate Social Responsibility from modern retail companies in reducing household waste has not been maximized as expected and regulated in articles 12 and 13 of Regional Regulation Number 1 of 2021 concerning Waste Management in Manado City. So that in the future it is hoped that there will be a close and good relationship in terms of partnership with the government and the community and it is also hoped that the Corporate Social Responsibility program from retail companies, both in terms of budget and activities, can contribute even more to reducing household waste because most of the products in the form of packaging from retail companies' businesses end up as household waste. Especially for the government in terms of law enforcement, it is hoped that the government can also embrace retail companies as partners in reducing household waste.

Acknowledgments

The researchers express their sincere gratitude to all parties who have assisted in the preparation of this academic paper publication.

References

Albareda, L., Lozano, J. M., & Ysa, T. (2007). Public policies on corporate social responsibility: The role of governments in Europe. Journal of Business Ethics, 74.

Afriani, Antong, & Usman, H. (2023). Implementation of corporate social responsibility (CSR) in improving company image in the eyes of the public. Journal of Applied Accounting Research, 7(1), 16–26. https://jurnal.polsri.ac.id/index.php/jrtap/article/view/6478)

Akib, H. (2010). Implementation of corporate social responsibility: Jogja TV (Descriptive study of mobile library program in Bantul and Sleman districts) [Thesis]. Sunan Kalijaga State Islamic University.

Ashar Maulana R. (2019). Legal issues of corporate social responsibility in Indonesia. University of Bengkulu Law Journal, 4(2).

Azheri, B. (2011). Corporate social responsibility, from voluntary to mandatory. PT. Raja Grafindo Persada

Cahya, R. A. (2022). Implementation of CSR (Corporate Social Responsibility) of PT. Semen Baturaja (Persero) Tbk as an effort in environmental and partnership development. JIM: Journal of International Management.

Daniri, M. A. (2007). Corporate social responsibility obligations in the limited liability company law. Kadin.

Harni, D., & Azis, E. (2018). The influence of corporate social responsibility (CSR) on the corporate image of PT. Bank Danamon Indonesia Tbk. Journal of Economic Discourse, 17.

Henningfeld, J., Polh, M., & Tolhurst, N. (2006). The ICCA handbook on corporate social responsibility. John Wiley & Sons Ltd.